From: Melina Lodge <mlodge@housingnetworkri.org>
Sent: Wednesday, June 19, 2024 9:15 PM
To: Larissa DeLisi <ldelisi@savagelawpartners.com>
Subject: RE: Department of Housing- Proposed Rules and Regulations for the Low-Income Housing Tax Credit Program

Good evening
The Housing Network of RI has reviewed the proposed Rules and Regulations for the State of RI Low – Income Tax Credit Program and respectfully submits the following comments for consideration

1. The rules and regulations as written appear to be at times misaligned to the federal LIHTC program. Given that SLIHTC will be developments that also include federal LIHTC financing, thus subject to the federal program requirements, we would urge the Department to reconsider these misalignments and ensure that there is parody in the programs whenever possible to ensure there are no redundancies or tensions between the two sources that would minimize their ability to work together effectively in a transaction.
2. Since SLIHTC is being allocated only to federal LIHTC projects, the Department should rely on the protections against over subsidization in IRC 42(m)(2) rather than developing a its own set of tests which could potentially be redundant or create unintended ineffectiveness across both sources.
3. (1.12.A) HNRI would recommend the removal of the reference to the applicant's equity contribution. This is not a as typical source in federal LIHTC transactions and as currently written seems to suggest that an applicant is required to contribute equity to the transaction to be eligible for SLIHTC.
4. (1.12.A) This section also appears duplicate the requirement for a cost certification separate from the one required by the federal LIHTC program. To reduce redundant effort and cost, the Department should be willing to accept the cost certification for the federal program to reduce redundant effort and costs.
5. The payment standards on the SLIHTC program seems to favor for profit or larger non profit developers based on the payment standard being offered if taking the cash up front as opposed to over the longer term. Non profits typically the funds upfront in a deal because they lack other capital to advance the project. As written, the program would provide a better payment standard if the credit is taken over time, meaning an organization would need to have other capital on hand on bridge the gaps.

Thank you for your consideration
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